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# World Production and Trade

United States
Department of
Agriculture

Foreign Agricultural Service

Washington, D.C. 20250

Weekly Roundup

WR 35-87

Sept. 2, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

#### GRAIN AND FEED

U.K. Wheat Imports May Increase. Imports of wheat by the United Kingdom may be greater than the 1.0 million tons currently estimated for the 1987/88 marketing year (July/June), providing a potential for increased U.S. exports. Weather problems are hurting crop prospects and quality, creating greater interest by millers in booking third country milling wheat. Although Australia and Canada are the principal suppliers of wheat to the U.K., the United States has supplied a small amount (30,000-75,000 tons annually) during the last few years, and could benefit from any increase in imports.

#### OILSEEDS AND PRODUCTS

Drought Has Substantial Effect on INDIA'S Trade Plans. As a result of drought in the important agricultural regions in the north and northwest, India's imports of vegetable oils are expected to increase significantly in 1987/88 (Nov/Oct), according to the U.S. agricultural counselor in New Delhi. In addition, expected lower Indian oilseed meal exports may represent opportunities for U.S. exporters of oilseed meals.

India is a major importer of vegetable oils, mostly palm oil and soybean oil. Due to expected lower oilseed output, 1987/88 vegetable oil imports may rise to nearly 2.5 million tons, compared to 1.4-1.6 million tons expected in 1986/87. In addition, reduced crushing may limit oilseed meal exports. India exported an estimated 1.1 million tons of meal in 1986/87. Excess crush capacity may lead to some oilseed importing, perhaps 500,000 tons.

Last year India produced 14.4 million tons of oilseeds, including 5.9 million tons of peanuts, 3.2 million tons of cottonseed, 3.0 million tons of rapeseed and 1.1 million tons of soybeans. Peanut production currently is estimated at 5.0 million tons, down 1.5 million tons from the preseason forecast due to the drought. Cottonseed output may be less affected by the drought because normal, late-season rains in the south are often beneficial and can result in good yields.

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EXCHANGE Rec'd

#### DAIRY, LIVESTOCK AND POULTRY

USSR Meat Production Reported Higher for January Through July. Meat production on state and collective farms for January-July was up 7 percent compared to the same period of 1986. Data for the individual meats are as follows: beef up 8 percent, pork up 6 percent and poultry meat up 4 percent. Milk production for January-July was up 2 percent. For the same period, egg production was up 3 percent. Last month's report showed meat production up 6 percent, while milk and egg production were up 2 and 3 percent, respectively.

Cattle numbers as of August 1 were reported at 98 million head of which 29.0 million were cows. Comparable August 1, 1986 numbers were 98.8 million and 29.3 million, respectively. Hog numbers on August 1 were 60.1 million head, 1.9 million head below August 1, 1986. Poultry numbers were reported to be slightly above 1986.

SUGAR

PHILIPPINE Sugar Production Revised Upward. Philippine sugar production for 1986/87 is estimated at 1.37 million tons, up 120,000 tons from the previous estimate, but down 12 percent from the revised 1985/86 production of 1.56 million tons and the lowest level in more than a decade, according to the U.S. agricultural counselor in Manila. The decline is attributed primarily to a drop in area caused by depressed world prices. The 1987/88 forecast of 1.35 million tons remains unchanged.

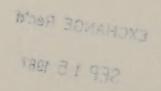
#### CREDIT NOTES

P.L. 480 Actions Announced for BANGLADESH, GUYANA, SIERRA LEONE and TUNISIA. Bangladesh signed a Title I agreement for 30,000 tons of rice valued at \$5.0 million. Guyana signed a Title I agreement for 2,000 tons of vegetable oil valued at \$1.0 million. Sierra Leone signed a Title I agreement for 24,000 tons of rice valued at \$4.0 million. Tunisia signed a Title I agreement for 98,000 tons of wheat valued at \$10.0 million.

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Section 416 Actions Announced for MEXICO and the DOMINICAN REPUBLIC. Mexico signed an agreement for 14,614 tons of corn, nonfat dry milk, processed cheese, cheddar cheese and butteroil valued at \$13.5 million. The Dominican Republic signed an agreement for 155,138 tons of wheat valued at \$18.0 million.

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#### WEEKLY EXCHANGE RATE DEVELOPMENTS

Despite intervention by the world's major central banks during the week ending August 28, the U.S. dollar continued its descent, finishing down against all major currencies. During the week, the central banks tried to halt the dollar's fall. However, the U.S. Department of Commerce's announcement of a record quarterly trade deficit of \$39.5 billion increased bearish sentiment in the currency markets, sending the dollar lower.

	Current	Perc	ent change	from
	rate	week ago	month ago	year ago
Currencies	8/27/87	8/20/87	7/30/87	8/86
Argentine Austral	2.1270	3.55%	10.78%	132.56%
Australian Dollar	1.4029	.00%	-2.03%	-14.07%
Brazilian Cruzado	48.0900	1.95%	4.70%	249.23%
Canadian Dollar	1.3166	70%	-1.15%	-5.12%
South African Rand	2.0534	61%	92%	-20.81%
Thai Baht	25.9400	30%	1.64%	68%
ECU	0.8774	82%	-1.95%	-10.42%
British Pound	0.6133	85%	-2.18%	-8.81%
French Franc	6.0475	-1.38%	-1.89%	-9.95%
West Germany Mark	1.8095	-1.41%	-2.41%	-12.16%
Japanese Yen	141.7500	-1.97%	-5.12%	-8.00%
South Korean Won	808.1000	08%	.00%	-8.55%
New Taiwan Dollar	30.0400	03%	-2.81%	-20.61%

Exchange rates are spot as of 3 p.m. Eastern Time, August 27 Source: FAS Exchange Rate Database and Wall Street Journal

#### EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Aug. 27, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
74. Near East table eggs (Bahrain, Kuwait, Oman, United Arab Emirates, Yemen)	Aug. 27, '87	50 million
73. Saudi Arabia dairy cattle	Aug. 27, '87	2,000 head
72. Iraq barley	Aug. 10, '87	150,000
71. Brazil wheat	July 30, '87	300,000 Sold 66,000
70. Colombia wheat	July 30, '87	300,000
69. Israel wheat	May 29, '87	200,000
68. Bangladesh wheat	May 22, '87	100,000 COMPLETE
VERSION IN NOVE THE A	July 8, '87	50,000 Sold 44,000
	Aug. 12, '87	150,000
67. Soviet Union wheat	Apr. 30, '87	4,000,000 COMPLETE
66. Turkey rice	Apr. 3, '87	70,000
65. Colombia barley malt	Apr. 3, '87	15,000

64.	Toon Ashin sans	T-1	20 107	100 -4114	
	Iraq table eggs		20, '87	189 million	
63.	Canary Islands poultry		9, '87	5,000	Sold 2,000
62.	Nigeria wheat		28, '87	500,000	COMPLEME
61.	China wheat		26, '87	1,000,000	COMPLETE
-	THE REAL PROPERTY OF THE PARTY		18, '87	1,000,000	Sold 360,000
60.	Iraq wheat		16, '87	800,000	Sold 715,000
59.	Switzerland barley or sorghum	Jan.	16, '87	250,000	Sold 9,000
58.	Poland wheat	Jan.	7, '87	500,000	COMPLETE
		July	2, '87	500,000	Sold 951,000
57.	Poland barley or sorghum	Dec.	31, '86	200,000	Sold 167,000
56.	Romania wheat	Dec.	23, '86	250,000	No. of London
55.	Iraq poultry		22, '86	60,000	COMPLETE
54.	Dominican Republic		9, '86	25 million	Sold 11.1
	table eggs		,	eggs	million eggs
53.	Zanzibar wheat flour	Dec.	9, '86	20,000	Sold 6,000
52.	Tunisia barley		1, '86	150,000	5020 0,000
51.	Gulf countries (Bahrain,		30, '86	1,500 head	COMPLETE
21.	Kuwait, Oman, Qatar,	000.	30, 00	1,500 nead	OOTH BELL
	United Arab Emirates)				
	dairy cattle				
	daily cattle	A110	27, '87	1,500 head	
50.	West Africa (Benin,	Aug.	21, 01	1,500 Head	
50.		0-4	20 106	245 000	0-14 102 200
	Burkina Faso, Cameroon,	oct.	30, '86	345,000	Sold 103,200
	Cote d'Ivoire, Ghana,				
	Gabon, Liberia, Niger,	-	15 107	105 000	
	Togo) wheat		15, '87	185,000	
49.	Dominican Republic	Oct.	29, '86	1,500	COMPLETE
	poultry			40.000	
48.	Philippines barley malt		20, '86	60,000	Sold 25,000
47.	Cameroon wheat flour		14, '86	20,000	
46.	Romania barley		. 24, '86	200,000	Sold 125,000
45.	Venezuela barley malt		. 4, '86	100,000	
44.	Cyprus barley		26, '86	150,000	Sold 118,000
43.	Canary Islands wheat		8, '86	100,000	
42.	Egypt semolina	Aug.		30,000	Sold 23,000
41.	Soviet Union wheat	Aug.		4,000,000	EXPIRED
40.	Canary Is. dairy cattle		28, '86	3,000 head	Sold 2,825
39.	Hong Kong table eggs	Ju1y	28, '86	44 million	COMPLETE
				eggs	
38.	Senegal wheat	July	17, '86	100,000	COMPLETE
37.	India vegetable oil	July	8, '86	25,000	COMPLETE
36.	Jordan barley	June	17, '86	60,000	COMPLETE
35.	Israel barley	June	17, '86	200,000	Sold 177,324
34.	Tunisia dairy cattle	May	29, '86	4,000 head	COMPLETE
33.	Algeria dairy cattle		29, '86	5,000 head	COMPLETE
32.	Sri Lanka wheat		16, '86	125,000	COMPLETE
- 7 = 500	A 000,000 CO		h 5, '87	95,000	Sold 85,000
			20, '87	240,000	127
		0			

31	Coudi Amabia bamlar	War 7 106	E00 000	COMPLETE
31.	Saudi Arabia barley	May 7, '86	500,000	COMPLETE
		Aug. 6, '86	250,000	COMPLETE
		Sept. 16, '86	300,000	COMPLETE
		Oct. 8, '86	200,000	COMPLETE
		The same		(201,000)
		Jan. 5, '87	1,250,000	COMPLETE
		May 15, '87	500,000	COMPLETE
0000		Aug. 4, '87	500,000	COMPLETE
30.	Algeria barley	Apr. 17, '86	500,000	Sold 108,000
29.	Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
28.	Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
		June 18, '86	5,000 head	
27.	Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
		Sept. 12, '86	10,000 head	Sold 3,411
26.	Yemen poultry feed	Apr. 14, '86	150,000	Sold 111,168
25.	Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
		June 24, '86	200,000	COMPLETE
		Oct. 7, '85	500,000	Sold 397,050
24.	Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
		June 18, '87	8,000 head	COMPLETE
23.	Syria wheat	Apr. 8, '86	700,000	CANCELED
22.	Benin wheat (remaining	Apr. 7, '86	45,000	COMPLETE
	15,000 tons transferred			
	to West Africa			
21.	Algeria table eggs	Apr. 4, '86	500 million	eggs
20.	Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 2,028
19.	Jordan wheat	Mar. 19, '86	75,000	COMPLETE
		June 20, '86	75,000	COMPLETE
		Dec. 31, '86	225,000	COMPLETE
18.	Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
		Aug. 22, '86	800,000	Sold 300,000
17.	Algeria wheat flour	Feb. 25, '86	100,000	
16.	Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15.	Philippines wheat	Jan. 7, '86	150,000	COMPLETE
				(152,400)
		Aug. 10, '87	500,000	
14.	Zaire wheat	Dec. 27, '85	35,000	COMPLETE
		May 15, '86	45,000	COMPLETE
		Oct. 10, '86	40,000	COMPLETE
		July 16, '87	80,000	Sold 25,000
13.	Nigeria barley malt	Dec. 10, '85	100,000	Sold 58,164
12.	Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
		Jan. 7, '87	175,000	Sold 75,000
11.	Egypt poultry	Nov. 26, '85	8,000	COMPLETE
		Mar. 21, '86	15,000	COMPLETE
		June 18, '86	5,000	COMPLETE
		July 8, '86	15,000	COMPLETE
		Dec. 19, '86	25,000	COMPLETE
		Feb. 27, '87	6,000	

10.	Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
		May 15, '86	30,000	COMPLETE
9.	Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8.	Jordan rice	Nov. 8, '85	40,000	Sold 38,700
		Jan. 13, '87	60,000	
7.	Turkey wheat	Oct. 16, '85	500,000	COMPLETE
	The second secon	THE SEL VALUE		(506,600)
		May 8, '86	500,000	Sold 248,000
6.	Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
		Dec. 9, '86	790,000	COMPLETE
		July 1, '87	500,000	
5.	Yemen wheat	Sept. 6, '85	100,000	COMPLETE
		Jan. 26, '87	100,000	COMPLETE
4.	Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
		Apr. 14, '86	100,000	COMPLETE
		May 18, '87	100,000	Sold 50,000
3.	Egypt wheat	July 26, '85	500,000	COMPLETE
	Car Charles Burney	Oct. 30, '85	500,000	COMPLETE
				(512,500)
		June 24, '86	500,000	COMPLETE
		July 29, '86	52,000	COMPLETE
		Oct. 8, '86	1,000,000	COMPLETE
		July 8, '87	500,000	
2.	Egypt wheat flour	July 2, '85	600,000	COMPLETE
		Aug. 6, '86	600,000	Sold 356,000
1.	Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
	wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 616,000
	durum	Nov. 10, '86	300,000	COMPLETE
	durum	Mar. 16, '87	300,000	COMPLETE
	durum	July 24, '87	300,000	Sold 244,000

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# EXPORT ENHANCEMENT PROGRAM SUMMARY Announced as of Aug. 27, 1987

Announced to Date 33,355,680 tons grains and products (grain equivalent)

808 million table eggs 140,500 tons frozen poultry 69,000 head dairy cattle 25,000 tons vegetable oil

Sold to Date 18,017,759 tons wheat

2,101,466 tons flour (grain equivalent)

4,159,324 tons barley

72,610 tons semolina (grain equivalent)

110,883 tons barley malt (grain equivalent)

106,000 tons sorghum 38,700 tons rice

111,168 tons poultry feed

25,000 tons vegetable oil 131,499 tons frozen poultry

49,264 head dairy cattle

54,572,004 table eggs

Total Sales Value: \$2,320.4 million Estimated Bonus Book Value: \$1,605.5 million Market Value of Awards: \$1,119.1 million

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Selected International Prices

18 Item September 1, 1987 : Change from : A year a week ago ago ROTTERDAM PRICES 1/ \$ per bu. \$ per MT \$ per MT \$ per MT Wheat: Canadian No. 1 CWRS-13.5%. 140.00 3.81 +2.00 N.Q. U.S. No. 2 DNS/NS: 14%.... 131.00 3.57 -0-124.00 U.S. No. 2 S.R.W. ..... 127.75 3.48 +1.75 122.50 No. 3 H.A.D.... 162.00 4.41 +9.00 125.00 Canadian No. 1 A: Durum10/ 162.50 4.42 +9.00 N.Q. Feed grains: U.S. No. 3 Yellow Corn.... 89.00 2.26 +1.00 83.00 Sovbeans and Meal: U.S. No. 2 Yellow.....10/ 208.35 -1.65 5.67 193.35 Brazil 47/48% Sova Pellets 212.50 +1.50 208.00 U.S. 44% Soybean Meal..10/ 195.00 +5.00 198.00 U.S. FARM PRICES 3/ Wheat ..... 88.54 2.41 +2.20 79.72 Barley.... 61.09 1.33 +0.91 50.98 Corn..... 59.84 1.52 +1.18 58.66 Sorghum..... 2.55 2/ 56.22 -2.2060.18 Broilers.... 1,122.58 -31.75 1,316.36 EC IMPORT LEVIES Wheat 5/..... 206.60 5.62 +1.72 175.43 Barley..... 204.34 4.45 +3.39 175.04 Corn..... 206.60 5.25 -0.26182.18 Sorghum..... 210.73 +0.55 5.35 189.06 Broilers 4/ 6/ 8/..... 511.00 +6.00 366.00 EC INTERVENTION PRICES 7/9/ Common wheat(feed quality) 182.95 4.98 +0.48 181.50 Bread wheat (min. quality) 192.58 5.24 +0.50 190.79 Maize..... 192.58 4.89 +0.50 190.79 Barley and all other feed grains, excluding maize. 182.95 +0.48 181.50 Broilers 4/ 6/..... 1,548.00 +3.00 1,530.00 EC EXPORT RESTITUTIONS (subsidies) Wheat ..... 122.16 3.32 111.17 Barley.... N.A. N.A. Broilers 4/ 6/ 8/..... 424.00 +5.00 269.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ October shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis September delivery.

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